

**MINUTES OF THE
BOARD OF DIRECTORS MEETING OF THE
OTAY WATER DISTRICT
August 3, 2016**

1. The meeting was called to order by President Thompson at 3:30 p.m.

2. ROLL CALL

Directors Present: Croucher, Lopez, Robak, Smith and Thompson

Staff Present: General Manager Mark Watton, General Counsel Daniel Shinoff, Asst. General Manager German Alvarez, Chief of Engineering Rod Posada, Chief Financial Officer Joe Beachem, Chief of Administration and Information Technology Adolfo Segura, Chief of Operations Pedro Porras, Asst. Chief of Operations Jose Martinez, District Secretary Susan Cruz and others per attached list.

3. PLEDGE OF ALLEGIANCE

4. APPROVAL OF AGENDA

A motion was made by Director Croucher, and seconded by Director Lopez and carried with the following vote:

Ayes: Directors Croucher, Lopez, Robak, Smith and Thompson
Noes: None
Abstain: None
Absent: None

to approve the agenda.

5. APPROVE THE MINUTES OF THE SPECIAL BOARD MEETING OF MAY 23, 2016 AND REGULAR MEETING OF JUNE 1, 2016

A motion was made by President Thompson, seconded by Director Lopez and carried with the following vote:

Ayes: Directors Croucher, Lopez, Robak, Smith and Thompson
Noes: None
Abstain: None
Absent: None

to approve the minutes of the special board meeting of May 23, 2016 and regular board meeting of June 1, 2016.

6. PUBLIC PARTICIPATION – OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO SPEAK TO THE BOARD ON ANY SUBJECT MATTER WITHIN THE BOARD'S JURISDICTION BUT NOT AN ITEM ON TODAY'S AGENDA

No one wished to be heard.

PUBLIC HEARING

7. PUBLIC HEARING ON THE PUBLIC HEALTH GOAL REPORT

THE BOARD WILL BE HOLDING A PUBLIC HEARING TO CONSIDER APPROVING THE RECOMMENDATIONS IN THE PUBLIC HEALTH GOAL REPORT. THE BOARD INVITES THE PUBLIC TO PROVIDE COMMENTS ON THE REPORT.

- a) APPROVE THE RECOMMENDATIONS IN THE PUBLIC HEALTH GOAL (PHG) REPORT TO TAKE NO FURTHER ACTION IN REDUCING THE LEVELS OF THE SIX (6) CONSTITUENTS LISTED IN THE REPORT TO LEVELS AT OR BELOW THE PHGs

Systems Operations Manager Jake Vaclavek indicated that California Health and Safety Code 116470 specifies that water utilities with more than 10,000 service connections must prepare a special report every three (3) years by July first if their water quality measurements have exceeded any Public Health Goals (PHGs). Please reference the Committee Action notes attached to staff's report (Attachment A) for the details of Mr. Vaclavek's report.

In response to an inquiry from Director Robak, Mr. Vaclavek indicated that the District is required to test for lead and that all lead levels tested "non-detect" in the District's water supply. He noted that the PHG for lead is "0" and, thus, the District meets this goal and is not required to report lead levels. Mr. Vaclavek stated in response to another inquiry from Director Robak, that pharmaceuticals in the water are mostly handled through treatment techniques. The water that the District purchases has been treated with most of these treatment techniques, if not all the techniques. Because the treatment techniques are determined to remove pharmaceutical elements, the District does not test for them. It was noted that testing for pharmaceuticals and personal care products is extremely expensive. The District had tested for these elements in the District's potable water when the misconnect issue was discovered and the testing found "non-detect" for most of the elements at a cost of approximately \$10,000.

Director Croucher indicated that this was discussed at the Engineering Operations and Water Resources Committee and not only did staff test the District's water connections, but they also tested the water from customers' homes. These tests also showed "non-detect."

In response to an inquiry from Director Lopez, Mr. Vaclavek indicated that all treatment plants from which the District receives water are required to provide an

annual water quality report. The data from their reports is where the District determines that its potable water supply exceeds the PHGs. It was discussed that the District also provides in its water quality report, the agencies that it receives water from: San Diego Water Authority's Twin Oaks Water Treatment Plant, Metropolitan Water District's Skinner Water Treatment Plant, and Helix WD's R.M. Levy Water Treatment Plant. The Carlsbad Desalination Plant has been added to the list this year as a new source.

President Thompson opened the Public Hearing at 3:42 p.m. As no one wished to be heard, the Public Hearing was closed at 3:42 p.m.

A motion was made by Director Croucher, seconded by Director Robak and carried with the following vote:

Ayes: Directors Croucher, Lopez, Robak, Smith and Thompson
Noes: None
Abstain: None
Absent: None

to approve staff's recommendation.

CONSENT CALENDAR

8. ITEMS TO BE ACTED UPON WITHOUT DISCUSSION, UNLESS A REQUEST IS MADE BY A MEMBER OF THE BOARD OR THE PUBLIC TO DISCUSS A PARTICULAR ITEM:

A motion was made by Director Croucher, seconded by Director Thompson and carried with the following vote:

Ayes: Directors Croucher, Lopez, Robak, Smith and Thompson
Noes: None
Abstain: None
Absent: None

to approve the following consent calendar items:

- a) AWARD A CONSTRUCTION CONTRACT TO CHARLES KING COMPANY, INC. FOR THE RALPH W. CHAPMAN WATER RECYCLING FACILITY 14-INCH FORCE MAIN REHABILITATION PROJECT IN AN AMOUNT NOT-TO-EXCEED \$1,101,250
- b) AWARD AN AS-NEEDED ELECTRICAL ENGINEERING DESIGN SERVICES CONTRACT TO BSE ENGINEERING, INC. IN AN AMOUNT NOT-TO-EXCEED \$125,000 FOR FISCAL YEARS 2017-2019 (ENDING JUNE 30, 2019)

- c) ADOPT RESOLUTION NO. 4312 FIXING TERMS AND CONDITIONS FOR THE ANNEXATION OF CERTAIN REAL PROPERTY OWNED BY FRED C. SANDERS JR. 2015 REVOCABLE TRUST TO OTAY WATER DISTRICT IMPROVEMENT DISTRICT NO. 18 (APN 498-153-47-00, 11996 PASEO FUERTE, EL CAJON, CA)

ACTION ITEMS

9. BOARD

- a) DISCUSSION OF THE 2016 BOARD MEETING CALENDAR

There were no changes to the board meeting calendar.

INFORMATIONAL ITEM

- 10. THE FOLLOWING ITEMS ARE PROVIDED TO THE BOARD FOR INFORMATIONAL PURPOSES ONLY. NO ACTION IS REQUIRED ON THE FOLLOWING AGENDA ITEMS:

- a) 2015 INTEGRATED WATER RESOURCES PLAN UPDATE (BEPPLER)

Senior Civil Engineer Stephen Beppler indicated that the 2015 Integrated Water Resources Plan (IRP) update was previously presented at the March 2016 board meeting. Staff is presenting the completed IRP and will provide a summary of the recommendations being made within the plan. Mr. Beppler indicated that the primary reason for updating the IRP is that the last IRP was completed in 2007 when circumstances were considerably different than they are today. In addition, staff has researched various possible water supply resources and wished to incorporate that information into the IRP document. Please reference the Committee Action notes attached to staff's report (Attachment A) for the details of Mr. Beppler's report.

Engineering Manager Bob Kennedy indicated in response to an inquiry from Director Robak that the District does share all its projects with the San Diego County Water Authority (CWA) and they, in turn, share all their regional projects with the Metropolitan Water District (MWD). All agencies are aware of what the District is doing and they do include some of the District's projects in their Urban Water Management Plans (UWMP). He noted that CWA's latest UWMP includes the Rosarito Desalination Project as a potential water source. General Manager Watton added that the San Diego Region is now doing a good job in coordinating with one another on future supply projects. However, it is not believed that MWD is integrating local supplies into their planning documents.

Director Smith indicated that the Integrated Water Management Plan is prepared by agencies to allow for the opportunity to apply for grant funds (Proposition 50 funds) from the State. Engineering Manager Kennedy indicated that the District does apply for those grants, but did not receive any grants in the last round for

Proposition 50 funds. He noted that the District has received some grant funding in previous years.

It was discussed that, as Director Robak noted, the agencies also need to examine the cost of wholesale water as the local agencies continue to diversify. San Diego County is paying for 25% of the cost of MWD's four (4) water treatment plants which are running at 25% of capacity. General Manager Watton noted that CWA is responding to this issue, but MWD is not taking the diversification into consideration.

Senior Civil Engineer Beppler indicated that the IRP does reflect the diversification that CWA has accomplished over the last few years.

b) UPDATE ON FEASIBILITY OF IPR/DPR - RALPH W. CHAPMAN WATER RECYCLING FACILITY PURIFICATION PLANT TO SWEETWATER RESERVOIR TECHNICAL NOTE (BEPPLER)

Senior Civil Engineer Beppler provided a report on the feasibility of IPR/DPR at the Ralph W. Chapman Water Reclamation Facility (RWCWRF) purification plant which would provide IPR/DPR water through the Sweetwater Reservoir for potable water production. Please reference the Committee Action notes attached to staff's report (Attachment A) for the details of Mr. Beppler's report.

Director Smith indicated that the Engineering Operations and Water Resources Committee reviewed this project and it is important to note that the District is looking at new technologies and, at this time, such a project is not cost feasible as the sewer flow is too small and too erratic and it would be costly to dispose of the brine from the treatment process to warrant pursuing as a supply source.

In response to an inquiry from Director Robak, Senior Civil Engineer Beppler indicated that when you have a hydraulic retention time of less than six (6) months before water is pulled, then it is DPR.

Director Thompson indicated the question is how much subsidy (grants) it would take to make this project feasible. He indicated that until the District acquires some subsidies that would make the project viable, the project will be shelved.

Director Croucher indicated that he feels that the District has thought outside the box to identify reliable and quality water at an affordable/accessible price for the District's customers. Some of the ideas/projects that the District has researched have worked out well and some have not. He stated there is a balance between the cost of water and the push to conserve water because if customers conserve too much, one (1) gallon of water would become very costly and would be beyond the public's ability to purchase water. He thanked staff for the report as it educates them on the process.

President Thompson inquired if the District received a grant that provided full subsidy for the cost, would the project be competitive. Director Smith indicated in

his experience it is very difficult to get even up to 50% funding. You may get perhaps 25% funding from the Department of Water Resources and possibly 10% funding through Proposition 50. None of the grants provide for operations and maintenance costs.

REPORTS

11. GENERAL MANAGER'S REPORT

General Manager's Report

General Manager Watton introduced Ms. Tenille Otero who is the District's new Communications Officer. He noted that she joins the District from CWA where she worked for 14 to 15 years. He also presented information from his report which included the implementation of the Tyler Cashiering Solution, fiscal year-end audit, Rosarito Desalination Project, and the District's customers' water conservation level.

Director Robak inquired when the letter from the Surfrider Foundation and Wildcoast regarding the District Otay Mesa Conveyance and Disinfection Project was received. General Manager Watton responded approximately a week or so ago. He indicated that staff will provide copies to the board.

In response to an inquiry with regard to the Rancho San Diego Basin Sewer Rehabilitation Project from Director Smith, Chief of Engineering Posada indicated that the contractor insists that they prefer to have one crew as it is hard to manage a project when there is more than one crew working on the project. He indicated that the contractor does acknowledge that they are late on the project. Staff has been keeping customers updated on the project's status and there have been no complaints from customers. He stated that staff is continuing to work with the contractor to complete the project.

CWA Report

General Manager Watton indicated that Director Croucher has been nominated for the position of Secretary to CWA's board. He indicated that Mr. Mark Muir from the City of Encinitas will be the incoming Chair. Director Croucher added that CWA representatives visited Sacramento to meet with legislators to discuss the past and future specific to the water restrictions. They also discussed who the proper representatives were for California on issues concerning the Bay Delta and Colorado River as there has been some disagreement on the matter of representation. He indicated that CWA and the San Diego Chamber of Commerce representatives will also travel to Washington, D.C. to meet with legislators to discuss water issues. He shared that Mr. Frank Belock, CWA's Deputy General Manager, has retired and that CWA does not plan on replacing his position. He lastly indicated that there is a new website on water which is sponsored and developed by CWA. The site can be visited from a link on CWA's website.

Director Lopez inquired if the CWA video, "To Quench a Thirst," has been integrated into the District's website. He asked that the District do so if it has not. Staff indicated that they would do so.

12. DIRECTORS' REPORTS/REQUESTS

Director Robak indicated that a couple weeks ago the District's website was down for a whole day. He asked if the District tracks how often the website is down. Chief of Administration Adolfo Segura indicated that the District does monitor this. Staff has checked the logs and the District's provider did have some issues in propagating the DNS (Domain Name Server). However, the reports indicate that it was only intermittent. He stated that the District receives alerts 24 hours a day and the alerts are monitored by staff. Director Robak also shared that he read an article about Israel. He indicated that their desalination plant is producing more water than their Country's needs that they now sell the excess water to Jordan.

Director Lopez indicated that the Metro Commission has canceled their last two (2) meetings. He inquired if they were still holding their Metro TAC meetings. Engineering Manager Bob Kennedy indicated that they are holding those meetings. He also reported that he attended the District's board and committee meetings and agenda briefing meetings with General Manager Watton. He lastly indicated that he has served on the District's board for 16 years now and he has witnessed the growth, progress and the quality of staff that has been recruited. He indicated that he would like to see the purchase of desalinated water from Mexico's Rosarito Desalination Project through fruition and plans to run again for his seat in November.

Director Smith reported that he attended the District's committee and board meetings this past month.

13. PRESIDENT'S REPORT

President Thompson presented his report on meetings he attended during the month of July 2016 (his report is attached). He noted that he distributed an updated *Board Member Organizational and Committee Appointments* list and it includes a new Ad Hoc Committee (Ad Hoc City of San Diego Matters Committee) which was suggested during the closed session discussion at the July board meeting. The committee will deal with the matters with the City of San Diego. He also shared that he too plans to seek reelection to his seat in November.

14. ADJOURNMENT

With no further business to come before the Board, President Thompson adjourned the meeting at 5:04 p.m.

President

ATTEST:

District Secretary

President's Report
August 3, 2016 Board Meeting

A) Meetings attended during the Month of July 2016:

- 1) **July 1: Board Agenda Briefing.** Met with General Manager Watton and Attorney Jeanne Blumenfeld to review items that will be presented at the July 6 Board Meeting.
- 2) **July 6: OWD Regular Board Meeting**
- 3) **July 29: Board Agenda Briefing.** Met with General Manager Watton and General Counsel Dan Shinoff to review items that will be presented at the August 3 Board Meeting. Director Lopez also attended.